

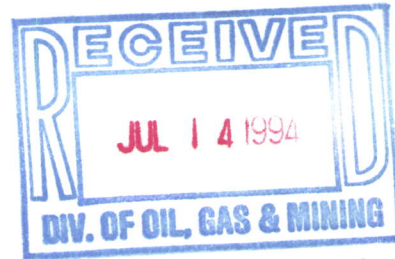
# Umetco Minerals Corporation



P.O. BOX 1029  
GRAND JUNCTION, COLORADO 81502  
☎ (303) 245-3700

July 11, 1994

Mr. Anthony A. Gallegos  
Reclamation Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203



*Items from Bond  
file - file retired  
11-10-2003.*

Dear Mr. Gallegos:

Re: Revised Reclamation Surety Estimate-  
Umetco Minerals Corporation (Umetco) -  
Calliham Mine M/037/023 - San Juan County, Utah

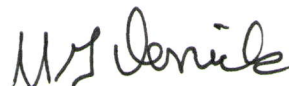
In accordance with terms and instructions in your June 10 letter to Robert F. Barnett, I enclose a partially executed copy of a Reclamation Contract for the Calliham Mine. Also enclosed is an Increase Rider to be attached to existing surety bond # . . . . . The Increase Rider raises the penal amount of bond # . . . . . to \$39,400 from \$34,800.

Page two of the Reclamation Contract has been changed to show the \$39,400 figure and the "Disturbed Area" acreage has been changed to 20.2 acres.

Please note that Mr. Sealy has executed the Reclamation Contract on pages 5 and 7. If page 5 was to be left blank, please insert a new page 5 into the contract.

If possible, Umetco will appreciate a copy of the contract when it is fully executed. Please call should you have questions.

Yours very truly,

  
M. G. Derrick

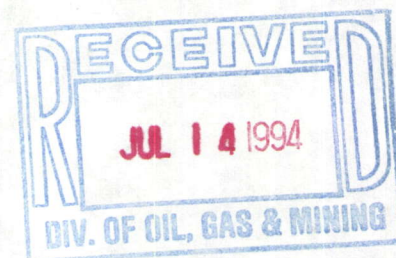
cc: R. F. Barnett  
M. G. Derrick  
Wayne Hedberg

MGD/gf

File Number \_\_\_\_\_

Effective Date \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340



**RECLAMATION CONTRACT**

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	M/037/023
(Mineral Mined)	Uranium/Vanadium
"MINE LOCATION":	
(Name of Mine)	Calliham
(Description)	Section 33, T.32S., R.26E., SLM
"DISTURBED AREA":	
(Disturbed Acres)	20.2 acres
(Legal Description)	(refer to Attachment "A")
"OPERATOR":	
(Company or Name)	Umetco Minerals Corporation
(Address)	2754 Compass Drive
	Suite 280
	Grand Junction, Colorado 81506
(Phone)	(303) 245-3700

"OPERATOR'S REGISTERED AGENT":

(Name)

R. F. Barnett

(Address)

c/o Umetco Minerals Corporation

P. O. Box 506

(Phone)

Dove Creek, Colorado 81324

(303) 677-2711

"OPERATOR'S OFFICER(S)":

C. O. Sealy

"SURETY":

(Form of Surety - Attachment B)

Surety Bond #

"SURETY COMPANY":

(Name, Policy or Acct. No.)

General Insurance Company of America

"SURETY AMOUNT":

(Escalated Dollars)

\$39,400.00

"ESCALATION YEAR":

1999

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Umetco Minerals Corporation the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/023 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated 9-26-83, and the original Reclamation Plan dated 9-26-83. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

C. O. Sealy, Manager  
Authorized Officer (Typed or Printed)

  
Authorized Officer's Signature

7-7-94  
Date

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19 94 .

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY \_\_\_\_\_  
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
James W. Carter, Director

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, personally  
appeared before me, who being duly sworn did say that he/she, the said  
\_\_\_\_\_ is the Director of the Division of  
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she  
duly acknowledged to me that he/she executed the foregoing document by  
authority of law on behalf of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

OPERATOR:

Umetco Minerals Corporation  
Operator Name

By C. O. Sealy - Manager  
Corporate Officer - Position

05-16-94  
Date

C. O. Sealy  
Signature

STATE OF Colorado )  
COUNTY OF Mesa ) ss:

On the 7th day of July, 19 94, personally  
appeared before me C. O. Sealy who  
being by me duly sworn did say that he/she, the said C. O. Sealy  
is the Manager of Umetco Minerals Corporation  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
C. O. Sealy duly acknowledged to me that said  
company executed the same.



Jackie Carner  
Notary Public  
Residing at: 722 Santa Clara Ave.  
Grand Junction, CO 81503

May 19, 1998  
My Commission Expires:



SURETY:

\_\_\_\_\_  
Surety Company

By \_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, personally  
appeared before me \_\_\_\_\_ who  
being by me duly sworn did say that he/she, the said \_\_\_\_\_  
is the \_\_\_\_\_ of \_\_\_\_\_  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
\_\_\_\_\_ duly acknowledged to me that said  
company executed the same.

\_\_\_\_\_  
Notary Public

Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

## ATTACHMENT "A"

UMETCO MINERALS CORPORATION  
Operator

CALLIHAM MINE  
Mine Name

M/037/023  
Permit Number

SAN JUAN County, Utah

### The legal description of lands to be disturbed is:

20.2 acres located in portions of:

NE 1/4 NW 1/4 and NW 1/4 NE 1/4, Section 33;

NW 1/4 NE 1/4, Section 28; and

SW 1/4 SE 1/4, Section 21

Township 32 South, Range 26 East, Salt Lake Base Meridian



SURETY RIDER

SAFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
FIRST NATIONAL INSURANCE COMPANY  
OF AMERICA  
HOME OFFICE: SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

To be attached to and form a part of

Bond No. ~~11111111~~

Type of Bond: MINED LAND RECLAMATION BOND

dated SEPTEMBER 15, 1993  
effective  
(MONTH-DAY-YEAR)

executed by UMETCO MINERALS CORPORATION  
(PRINCIPAL)

,as Principal,

and by GENERAL INSURANCE COMPANY OF AMERICA

,as Surety,

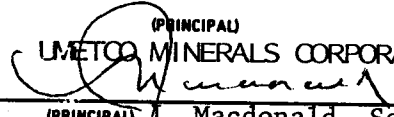
in favor of STATE OF UTAH, DEPT. OF NATURAL RESOURCES, DIVISION, OIL, GAS & MINING  
(OBLIGEE)


in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing  
INCREASE BOND PENALTY:  
FROM: \$34,800.00  
TO: \$39,400.00

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider  
is effective 6/29/94  
(MONTH-DAY-YEAR)

Signed and Sealed JUNE 29, 1994  
(MONTH-DAY-YEAR)

(PRINCIPAL)  
UMETCO MINERALS CORPORATION  
By:   
(PRINCIPAL) J. Macdonald, Secretary

GENERAL INSURANCE COMPANY OF AMERICA  
By:   
(ATTORNEY-IN-FACT)  
CAROLINE SCOTTO



POWER  
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
HOME OFFICE SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

No. 7555

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint  
\*\*\*NATALIE REINGOLD; JEAN M. ALLEN; FRANK J. NIESTADT; MARISOL PLAZA; CAROLINE SCOTTO, New York  
New York\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 1st day of January, 19 94.

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29TH day of JUNE, 19 94.



*[Signature]*



## GENERAL INSURANCE COMPANY OF AMERICA

## FINANCIAL STATEMENT — DECEMBER 31, 1993

Assets		Liabilities	
Cash and Bank Deposits .....	\$ 1,024,984	Unearned Premiums .....	\$ 272,535,743
*Bonds — U.S. Government .....	107,585,110	Reserve for Claims and Claims Expense .....	718,749,236
*Other Bonds .....	1,041,081,853	Reserve for Dividends to Policyholders .....	9,160,033
*Stocks .....	308,326,921	Additional Statutory Reserve .....	0
Real Estate .....	15,813,963	Reserve for Commissions, Taxes and	
Agents' Balances or Uncollected Premiums .....	128,399,010	Other Liabilities .....	84,343,754
Accrued Interest and Rents .....	27,824,645	<b>Total .....</b>	<b>\$1,084,788,766</b>
Other Admitted Assets .....	<u>12,137,062</u>	Capital Stock .....	\$ 2,500,000
		Paid in Surplus .....	2,391,058
		Unassigned Surplus .....	<u>552,513,724</u>
		<b>Surplus to Policyholders .....</b>	<b><u>557,404,782</u></b>
<b>Total Admitted Assets .....</b>	<b><u>\$1,642,193,548</u></b>	<b>Total Liabilities and Surplus .....</b>	<b><u>\$1,642,193,548</u></b>

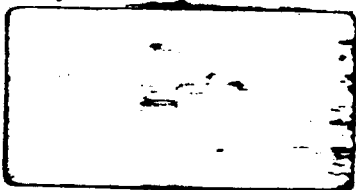


\* Bonds are stated at amortized or investment value; Stocks at Association Market Values.  
Securities carried at \$117,435,393 are deposited as required by law.

I, PHILIP A. STEPHENS, Senior vice-president of General Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 1993, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 1994.

*Philip A. Stephens*  
Senior Vice-President





SURETY RIDER

SAFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
FIRST NATIONAL INSURANCE COMPANY  
OF AMERICA  
HOME OFFICE: SAFECO PLAZA  
SEATTLE, WASHINGTON 98105

To be attached to and form a part of

Bond No. 3

Type of Bond: MINED LAND RECLAMATION BOND

dated SEPTEMBER 15, 1993  
effective

(MONTH-DAY-YEAR)

executed by UMETCO MINERALS CORPORATION

(PRINCIPAL)

as Principal,

and by GENERAL INSURANCE COMPANY OF AMERICA

as Surety.

in favor of STATE OF UTAH, DEPT. OF NATURAL RESOURCES, DIVISION, OIL, GAS & MINING  
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing

INCREASE BOND PENALTY:

FROM: \$33,700.00

TO: \$34,800.00

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

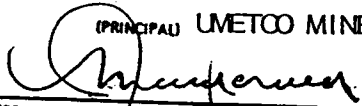
This rider is effective SEPTEMBER 15, 1993

(MONTH-DAY-YEAR)

Signed and Sealed NOVEMBER 4, 1993

(MONTH-DAY-YEAR)

(PRINCIPAL) UMETCO MINERALS CORPORATION

By:   
(PRINCIPAL) J. Macdonald, Secretary

GENERAL INSURANCE COMPANY OF AMERICA

By:   
(ATTORNEY-IN-FACT)  
MICHAEL J. FARLEY



POWER  
OF ATTORNEY

FECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
HOME OFFICE: SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

No. 7555

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

-----**NATALIE REINGOLD; JEAN M. ALLEN; MICHAEL J. FARLEY; MARISOL PLAZA; ETHEL T. KILDUFF,**  
New York, New York-----

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 18th day of February, 19 92.

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Boh A. Dickey, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 4TH day of NOVEMBER, 19 93.



## GENERAL INSURANCE COMPANY OF AMERICA

## FINANCIAL STATEMENT — DECEMBER 31, 1992

Assets		Liabilities	
Cash and Bank Deposits .....	\$ 13,790,365	Unearned Premiums .....	\$ 247,173,459
*Bonds — U.S. Government .....	89,551,086	Reserve for Claims and Claims Expense .....	706,728,937
*Other Bonds .....	942,784,318	Reserve for Dividends to Policyholders .....	6,317,889
*Stocks .....	332,485,603	Additional Statutory Reserve .....	624,868
Real Estate .....	14,527,902	Reserve for Commissions, Taxes and	
Agents' Balances or Uncollected Premiums .....	108,094,151	Other Liabilities .....	115,741,526
Accrued Interest and Rents .....	27,084,686	<b>Total .....</b>	<b>\$1,076,586,679</b>
Other Admitted Assets .....	<u>60,951,196</u>	Capital Stock .....	\$ 2,500,000
		Paid in Surplus .....	2,391,058
		Unassigned Surplus .....	<u>507,791,570</u>
		<b>Surplus to Policyholders .....</b>	<b><u>512,682,628</u></b>
<b>Total Admitted Assets .....</b>	<b><u>\$1,589,269,307</u></b>	<b>Total Liabilities and Surplus .....</b>	<b><u>\$1,589,269,307</u></b>



\* Bonds are stated at amortized or investment value; Stocks at Association Market Values.  
Securities carried at \$141,734,097 are deposited as required by law.

I, PHILIP A. STEPHENS, Senior vice-president of General Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 1992, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 1993.

*Philip A. Stephens*  
Senior Vice-President





ATTACHMENT B

MR FORM 5  
April 8, 1993

Bond Number 1-1111  
Permit Number M/037/023  
Mine Name Calliham

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

THE MINED LAND RECLAMATION ACT

SURETY BOND

\*\*\*\*\*

The undersigned UMETCO MINERALS CORPORATION, as  
Principal, and GENERAL INSURANCE COMPANY OF AMERICA, as  
Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors,  
successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil,  
Gas and Mining (Division) in the penal sum of THIRTY THREE THOUSAND SEVEN HUNDRED &  
dollars (\$ 33,700.00 ). 00/100

Principal has estimated in the Mining and Reclamation Plan approved by the  
Division on the 26TH day of SEPTEMBER, 1983, that 33.3  
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the  
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal  
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining  
and Reclamation Plan and has faithfully performed all requirements of the Mined Land  
Reclamation Act, and complied with the Rules and Regulations adopted in accordance  
therewith, then this obligation shall be void; otherwise it shall remain in full force and  
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of  
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act  
and regulations, then Principal may apply for a reduction in the amount of this Surety  
Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual  
increase in the area disturbed or the extent of disturbance, then, the Division may  
require that the amount of this Surety Bond be increased, with the written approval of  
the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

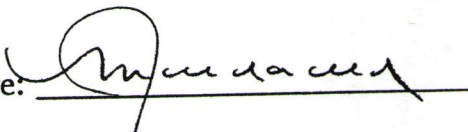
IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 9/21/93

UMETCO MINERALS CORPORATION  
Principal (Permittee)

By (Name typed): J. Macdonald

Title: Secretary


Signature: 

Date SEPTEMBER 15, 1993

GENERAL INSURANCE COMPANY OF AMERICA  
Surety

By (Name typed): NATALIE REINGOLD

Title: ATTORNEY-IN-FACT

Signature: 

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

\_\_\_\_\_  
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

**\*NOTE:** Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

## AFFIDAVIT OF QUALIFICATION

NATALIE REINCOLD, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Natalie Reincold  
Surety Officer  
NATALIE REINCOLD

Title: ATTORNEY-IN-FACT

Subscribed and sworn to before me this 15TH day of SEPTEMBER, 1993.

Frank J. Niestadt, Jr.  
Notary Public  
Residing at: NEW YORK, NY

My Commission Expires:

MARCH 29, 1995

FRANK J. NIESTADT, JR.  
Notary Public, State of New York  
No. 01NI5010147  
Qualified in Suffolk County  
Commission Expires March 29, 1995



POWER  
OF ATTORNEY

CO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
HOME OFFICE: SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

No. 7555

KNOW ALL BY THESE PRESENTS:

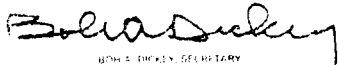
That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

-----**NATALIE REINGOLD; JEAN M. ALLEN; MICHAEL J. FARLEY; MARISOL PLAZA; ETHEL T. KILDUFF**,  
New York, New York-----

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 18th day of February, 19 92

  
BOH A. DICKEY, SECRETARY



CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Boh A. Dickey, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 15TH day of SEPTEMBER, 19 93





## GENERAL INSURANCE COMPANY OF AMERICA

## FINANCIAL STATEMENT — DECEMBER 31, 1992

Assets		Liabilities	
Cash and Bank Deposits .....	\$ 13,790,365	Unearned Premiums .....	\$ 247,173,459
* Bonds — U.S. Government .....	89,551,086	Reserve for Claims and Claims Expense .....	706,728,937
* Other Bonds .....	942,784,318	Reserve for Dividends to Policyholders .....	6,317,889
* Stocks .....	332,485,603	Additional Statutory Reserve .....	624,868
Real Estate .....	14,527,902	Reserve for Commissions, Taxes and Other Liabilities .....	115,741,526
Agents' Balances or Uncollected Premiums .....	108,094,151	<b>Total .....</b>	<b>\$1,076,586,679</b>
Accrued Interest and Rents .....	27,084,686	Capital Stock .....	\$ 2,500,000
Other Admitted Assets .....	<u>60,951,196</u>	Paid in Surplus .....	2,391,058
		Unassigned Surplus .....	<u>507,791,570</u>
		<b>Surplus to Policyholders .....</b>	<b><u>512,682,628</u></b>
<b>Total Admitted Assets .....</b>	<b><u>\$1,589,269,307</u></b>	<b>Total Liabilities and Surplus .....</b>	<b><u>\$1,589,269,307</u></b>



\* Bonds are stated at amortized or investment value; Stocks at Association Market Values.  
Securities carried at \$141,734,097 are deposited as required by law.

I, PHILIP A. STEPHENS, Senior vice-president of General Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 1992, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 1993.

*Philip A. Stephens*  
Senior Vice-President



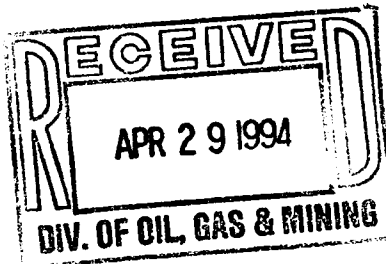
# Umetco Minerals Corporation

## Exploration & Mining Departments



P.O. BOX 508  
DOVE CREEK, CO 81324  
(303) 677-2711 • FAX (303) 677-2422

Mr. Anthony A. Gallegos  
Reclamation Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203



April 15, 1994

DOGM  
MINERALS PROGRAM  
FILE COPY

RE: Revised Reclamation Surety Estimate for the Calliham Mine (M/037/023).

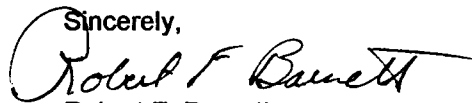
Dear Mr. Gallegos

Maybe this estimate will resolve our discrepancies on disturbed acreage and reclamation cost estimates.

The following is our revised disturbed acreage and reclamation cost estimate.

<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>\$/Unit</u>	<u>Cost (\$)</u>
Dispose of Building (incl. New Compressor Building)	7300	sq. ft.	-0-	-0-
Concrete Foundations Removal	7300	sq. ft.	.50	3,650.00
Construct Bulkhead in Portal	Lump Sum			1100.00
Backfill Portal to Bulkhead	Lump Sum			1200.00
Remove Trash & Debris	20.2	Acre	10.00	202.00
Fill and Regrade Ponds	6	Acre	800.00	4800.00
Regrade Ore Pads	4	Acre	800.00	3200.00
Regrade Waste Pile 3 to 1	5	Acre	800.00	4000.00
Ripping Roads	3	Acre	175.00	525.00
Bore Holes (encl.new holes)	5	Hole	1000	5000.00
Spread Topsoil (pads & stockpile)	9	Acre	85.00	765.00
<u>Re-vegetate</u>	<u>20.2</u>	<u>Acre</u>	<u>447.00</u>	<u>9029.40</u>
			<b>Subtotal</b>	<b>\$33,471.40</b>
		10%	Contingency	<u>\$3,347.14</u>
Disturbed Acreage: 20.2			<b>Subtotal</b>	<b>\$36,818.54</b>
		Escalation(1.42%	for 5 Yrs.)	<u>\$2,614.12</u>
			<b>Total</b>	<b>\$39,432.66</b>

If we need further details, please call me at 1-303-677-2711.

Sincerely,  
  
Robert F. Barnett  
Coordinator of Environmental & Regulatory Affairs

cc: R. A Van Horn  
Milt Derrick